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DEPUTY WHIP

Commerce, Science, and Transportation

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Special Committee on Aging

# United States Senate

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## DELIVERED BY HAND IMMEDIATE ATTENTION REQUESTED

December 19, 2007

The Honorable Christopher Dodd  
Chairman  
Senate Committee on Banking, Housing,  
and Urban Affairs  
Senate Dirksen Building, Room 534  
Washington, DC 20510

The Honorable Richard Shelby  
Ranking Member  
Senate Committee on Banking, Housing,  
and Urban Affairs  
Senate Hart Building Room 110  
Washington, DC 20510

Re: Concerns with S. 1668, the Gulf Coast Housing Recovery Act

Dear Chairman Dodd and Ranking Member Shelby:

We write to express some concerns that we have with the public housing provisions of S. 1668, the Gulf Coast Housing Recovery Act of 2007.

Public housing in New Orleans has for many decades tragically served almost no other purpose than to warehouse the city's poor and disenfranchised. New Orleans' public housing developments were allowed to persist in a perpetual state of disrepair, causing generations of public housing residents to live in deplorable, inhuman conditions. That generations of our fellow citizens were allowed to live in government-operated and sanctioned slums is offensive and intolerable.

During committee and other House consideration of H R 1227 we expressed some concerns that were not able to be fully addressed before House passage. We believe modest changes to S. 1668 are necessary to prevent the failed policies of the past from being implemented once again. As your committee considers proposed remedies to rebuild public and affordable housing in New Orleans and to reform how such assistance is provided to residents, we respectfully suggest that these concerns be addressed in the Senate bill.

**1. *Insure against costly delays and loss of redevelopment financing.*** The low-income tax credit financing mechanism for the current redevelopment plan has a set expiration date in law beyond which financing becomes unavailable. We are concerned that S. 1668 forces a review and potential cancellation of existing demolition and redevelopment contract agreements, which have already been approved by HANO/HUD. Cancellation of existing contracts would result in costly delays and threaten the financing already in place.

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Rather than canceling existing contracts, we believe S. 1668 should be modified to require that HANO develop and publish its plan for public housing in New Orleans within 6 months of the legislation's date of enactment. It is important that all interested parties be included in the redevelopment process, which should be conducted in an inclusive and transparent manner. Demolition activities can proceed even as development plans continue to be tailored to ensure a comprehensive and responsive housing plan in which all parties can have confidence in their future access to public and affordable housing in New Orleans.

**2. *Preserve administrative receivership of HANO.*** S. 1688 requires the Secretary of HUD to petition for judicial receivership of HANO, which is currently in administrative receivership overseen by HUD. Judicial receivership would bureaucratize and slow the decision-making process enormously. Again, this is particularly problematic given that the entire low-income tax credit financing mechanism for HUD's current redevelopment plan has a set expiration date beyond which financing becomes unavailable.

**3. *Utilize tenant-based vouchers as a preferred means to achieve housing replacement.*** Tenant-based vouchers are a publicly-financed user subsidy that allow low-income families to choose where they want to live. Vouchers are also the quickest means to address present housing needs in New Orleans and are the least costly housing assistance option available. Because of the low certainty regarding the number of returning households, it is important not to dedicate scarce funding and resources for housing that will remain unoccupied. Tenant-based vouchers provide the quickest and most flexible means possible to adapt to changing and uncertain economic conditions and housing needs. At a minimum, tenant-based vouchers, which may be issued in volume to meet need, should be considered as a viable and effective means of delivering housing assistance in New Orleans that promotes the opportunity of residents to return to the city.

**4. *Change deadlines on the survey due date and the date on which the initial 3,000 units would be available and align the number of housing units to the number of households indicating an intention to return.*** S. 1688 includes a survey designed to ascertain the number of families who want to come back to New Orleans to a public housing unit or public-administered residence in the near future. However, the legislation would also require that 3,000 public housing units be made available before the survey has been completed. The number of temporary units should be in line with the number of families indicating a desire to return to public housing in the future. Care should be taken not to create public housing units for which there are no occupants.

**5. *Strike the one-for-one replacement requirement for demolished public housing that was not occupied prior to the hurricane.*** S. 1688 requires that any public housing unit unoccupied before Hurricane Katrina, which is demolished as part of a redevelopment plan, be replaced. The federal government should not require the allocation of scarce funds and resources toward the recreation of housing unoccupied even before the hurricane.

**6. Provide for a two-year sunset provision for the replacement of public housing dwelling units.** As written, the one-for-one replacement of public housing requirement in S. 1688 would remain in place indefinitely. This means that the new requirements would permanently apply to all public housing operated or administered by HANO, restricting HANO's ability to redevelop public housing units regardless of merit, reason, or total lack of connect to the original post-hurricane conditions which the legislation is intended to address. Long after the hurricane's effects on housing have passed, S. 1668 will ensure that certain areas of New Orleans will remain designated sites for concentrated public housing, reducing investment and development in the city's poorest neighborhoods. Two years is a reasonable amount of time to address housing concerns directly related to Hurricane Katrina.

We look forward to working with you to find a way to address these very important issues.  
Thank you for your consideration.

Sincerely,



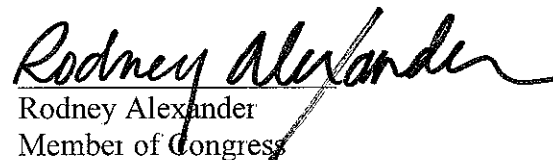
David Vitter  
United States Senator



Richard Baker  
Member of Congress



Jim McCrery  
Member of Congress



Rodney Alexander  
Member of Congress